

FILED UNDER SEAL

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

[UNDER SEAL],

PLAINTIFF,

v.

[UNDER SEAL],

DEFENDANTS

No. 15 Civ. _____

FILED UNDER SEAL

DECLARATION OF JOHN DONNELLY

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

ARKADIY DUBOVOY, et al.,

Defendants.

CA No.

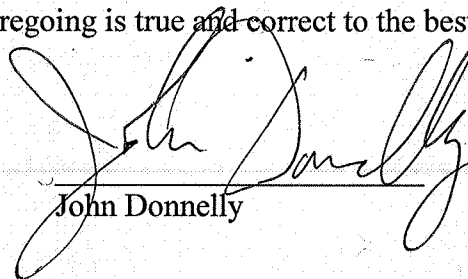
**DECLARATION OF JOHN
DONNELLY**

I, John Donnelly, declare as follows:

1. I am counsel for plaintiff Securities and Exchange Commission (the “Commission”) in this action. I make this Declaration pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.
2. Advanced notice of the filing of this action and the Commission’s request for emergency relief was not provided to defendants. As set forth in the Commission’s Complaint and the Declarations of Lynn O’Connor, Kenneth Zavos, and Daniel Koster, Defendants perpetrated a fraudulent scheme to steal material nonpublic information from newswire services and then use the unfair advantage obtained from that information to profit through trading securities. On information and belief, at least some of the defendants have continued to pursue this scheme at one or more newswire services. As recently as May 2015, some of the defendants traded in front of press releases issued from a third newswire service that had been hacked.
3. It is necessary to freeze the assets in the accounts of defendants in order to preserve the status quo and the Commission’s ability to recover both disgorgement of the ill-gotten gains and a civil penalty once the Commission prevails on its claims. Absent an asset freeze, there is a substantial risk that defendants, many of whom are foreign nationals residing in

the Russian Federation or the Ukraine or have ties to those countries, will attempt to transfer the assets out of the United States or otherwise dissipate them. To avoid providing defendants with an opportunity to transfer their ill-gotten gains out of the United States or otherwise dissipate their assets, the Commission did not notify defendants of this action or its intent to seek a temporary restraining order freezing assets, granting other relief, and to show cause. The facts underlying this concern are described in more detail in the accompanying documents, including the Complaint; Motion for a Temporary Restraining Order Freezing Assets, Granting Other Relief, and to Show Cause; supporting Memorandum; and accompanying Declarations of Lynn O'Connor, Kenneth Zavos, and Daniel Koster.

I declare under penalty of perjury under the laws of the United States of America, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct to the best of my knowledge, information and belief.



John Donnelly

Dated: August 9, 2015